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Islamic Revivalism in Egypt--Its Implications for Egypt's Secular Government and for the United States Strategic Interests in the Middle East

Jimmy M. Caldwell
Central Intelligence Agency

Faculty Research Advisor
Dr. Joseph E. Goldberg



The Industrial College of the Armed Forces
National Defense University
Fort McNair, Washington, D.C. 20319-6000

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ABSTRACT

There is an Islamic revival occurring throughout the Arab world. The radical Islamic revivalists within Egypt seek revolutionary change to that country's Western styled secular government and to its society. However, there are also well-established moderate Islamists that operate as a positive force at many levels of Egypt's civil society. The moderates seek a gradual Islamic-oriented change to Egypt's society.

The President's oppressive political system; a Soviet-styled economy that does not provide adequate employment or housing; and a government that can not deliver basic services such as quality schools exacerbate the tensions these competing forces create. Many Egyptians are calling for a change to the current government and to replace it with moderate Islamic leaders that would be more responsive to their needs.

President Mubarak, a longtime friend of the U.S., needs to change Egypt's political and economic systems and improve government services. While he has embraced economic change, he has not shown a clear willingness to discuss serious political reform. It is questionable whether he can survive his recently started third six-year term without making or allowing some real political changes -- changes that would recognize and legitimize Islamic (moderates) participation in the political process.

However, if popular opinion forces Mubarak from office or the radical Islamists assassinate him, there is no charismatic extremist leader waiting to take his place. If in the unlikely event a militant group seizes power, it would have a devastating effect on U.S. (and Israeli) interests in the Middle East. If a person from Mubarak's party succeeds him, there is still reason for concern, because he has not groomed a successor. For this reason, it is difficult, if not impossible, to project what the U.S.-Egypt relationship would be, if Mubarak is assassinated. Since Egypt is a key U.S. partner, this creates concern for our strategic interests in the Middle East.

INTRODUCTION

The Islamic revivalists seek to spread their views of Islamic Law throughout Egypt's governmental policies and its society. The radicals seek revolutionary change to an Islamic state (government and society), and they view the current secular government and similar aspects of society as antithetical to this goal. The moderates seek evolutionary change to a more Islamic oriented government and society. There are political, economic and social conditions and issues that give credence to the Islamic call for change. There are also forces that work against the radicals' and moderates' efforts to achieve their goals. These competing forces create instability within Egypt; threaten the current secular government; and have the potential to adversely impact U.S. strategic interests in the Middle East.

What are the Islamic revivalists' views on governmental and societal issues? Why are they pursuing these goals? How are the militants and moderates pursuing their goals? What are Egypt's political, economic and social conditions, forces and issues that interact with these Islamic calls for changes? In this paper, I will discuss aspects of these phenomena and their potential consequences. I will use the contemporary term -- Islamic revivalists -- rather than Islamic fundamentalists.

DISCUSSION

I will address briefly some of the recent militant Islamists activities and the government's responses. The extremists' violent activities gain the most visibility. Thus, it is appropriate to start this discussion with some of their recent activities.

Recent Islamic Violence

One of the main thrusts of the militant groups is to disrupt Egypt's economy by destroying the tourism industry, according to an article in The New York Times [February 8, 1994]. Chris Hedges, its author, stated the tourism industry that once

contributed \$2.2 billion to Egypt's annual gross domestic product has been "gutted", and militants have warned all foreigners to leave Egypt "immediately".¹ On the same day (February 7) the radicals issued this warning, a bomb exploded outside the Central Bank of Egypt in Cairo. There were no injuries. Also, Egyptian police found two bombs (before they exploded) outside other banks in Cairo (A6).

In an earlier The New York Times article [18 July 1993], Hedges described the government's "tough new counterinsurgency measures against Islamic militants." From December 1992 to the date of his article, officials arrested 6000 suspects (some were not charged); executed 14 convicted terrorists (by hanging) ; and condemned to death seven others that had not been arrested. This was in response to a violent terrorist campaign that killed 180 people from January 1992 to 18 July 1993. Those killed included "police officers, Coptic Christians, intellectuals, government officials and foreign tourists " (L6).

In a Middle East International article [4 March 1994], Max Rodenbeck stated that the "immediate trigger" of the most recent round of militant violence was the 30 January 1994 arrest, speedy trial (two weeks after arrest) in a closed military court and swift death sentences for three soldiers. They were accused of plotting to assassinate President Hosni Mubarak. Rodenbeck indicated that after the mid-February sentencing, the militants carried out a wave of terrorists acts including murdering four policemen; assaulting two trains, a bus and a cruise boat; and planting bombs at six Cairo banks (10).

Rodenbeck indicated that despite these violent attacks on innocent people and businesses, the authorities "are adamant that the Islamist threat is receding." The police feel that during their recent campaigns against the extremists, they captured most of the leaders of the two main groups, and others are dead or have left Egypt (11).

According to The New York Times article [13 March 1994], "gunmen believed to be Islamic militants shot and killed two priests and three other Christians outside a Coptic monastery..." on 12 March 1994. This was the "bloodiest" single attack on Christians in nearly two years, and the first on a monastery since Islamic militants "stepped up their

campaign to topple ... Mubarak and transform Egypt into a strict Islamic state." The article further stated that the attacks on Christians are "part of a strategy aimed at fostering instability in Egypt" ("5 Are Killed in Attack on a Coptic Monastery" 1-19).

The violence may be receding, as the officials argue. However, the recent attack on Christians is evidence that it has not stopped.

Islamic Resurgence in Egypt's Recent History

In a Summer 1985 article in the Middle East Review, Dr. R. Hrair Dekmejian, a professor of political science, traced the recent (1970's) resurgence of Islam in Egypt to: the Israeli defeat of Arabs in the 1967 war; the death of one of Egypt's former Presidents, Gamal Abdel Nasser, in 1970; and the subsequent decline of Pan-Arabism. After the mid-1950's, led by President Nasser, Pan-Arabism provided a powerful framework for Arab identity. As Pan-Arabism declined, Arabs sought a new ideology to guide their struggle for "military prowess, economic development and political stability" (30).

Dekmejian stated that Islamic ideology opposed the remaining Arab left and its Nasserist and communist leanings. Some Arab governments pushed the Islamic ideology to counter and neutralize the left. Former Egyptian President Sadat adapted this strategy. In his "de-Nasserization" campaign in the early 1970's, he released the then militant Muslim Brethren from prison to counter the Egyptian left. However, Sadat could not rally the people around any ideological substitute for Nasserism, which created a vacuum. Islamic revivalism filled this vacuum (30).

The Islamic resurgence manifested itself in several different ways and levels of intensity, according to Dekmejian. The masses practiced Popular Islam, which encompassed strong religious commitment and a growing sense of fellowship. Popular Islamists increased their mosque attendance, built more mosques, and displayed religious slogans. At the social level, popular Islamists establish self-help community-based

groups that seek to meet societal needs that the state would normally provide, but has not. This level of Islamic revivalism is normally politically passive (30).

The Islamic reformist organizations or moderates seek social change and a heightened Islamic transformation of society, according to Dekmejian. The Egyptian Muslim Brotherhood (formerly Muslim Brethren) is such an organization. This group (and some of its affiliates throughout the Arab world) generally has reduced its militancy in pursuit of "Islamization through gradualism". These groups, including Egypt's Brotherhood, use the official political process to encourage their governments to implement Islamic law. However, Dekmejian feels these mainstream revivalist groups can become militant if provoked by the state or external factors (31).

The militant Islamic groups are anti-establishment. They seek a revolutionary transformation of society with the ultimate goal being to establish an Islamic state (31). The two main Egyptian groups are the Gamaa al-Islamiya, or Islamic Group, and the Jihad, or Holy War, according to Stanley Reed's² September/October 1993 article in Foreign Affairs (97).

The Gamaa al-Islamiya members "gun down policemen, ambush officials ... and terrorize tourists with bombs near the pyramids or the Karnak Temple, Reed stated (94). "The Gamaa appeals to young disadvantaged men -- tradesmen, food vendors, schoolteachers, students, the unemployed. Such men find themselves in a terrible position in today's Egypt. They are unlikely to find decent jobs unless they go to Saudi Arabia or other wealthy Arab states. Without jobs they will not be able to afford the stiff prices for apartments, a requirement for marriage" (99). Gamaa's spiritual leader is Sheik Omar Abdel Rahman, the alleged mastermind behind the bombing of the World Trade Center in New York City (97).

The Jihad, or Holy War, was very prominent during the 1980's, and was responsible for assassinating former President Sadat, according to Reed (97). Currently, there are a number of splinter groups with variations of the "Jihad" or "New Jihad" name.

These groups have similar goals as Gamaa and recruit from the same parts of Egypt's society. However, arms of the Jihad have concentrated on assassinating key government figures.³

Key Aspects of Islam

While I do not want to include in this paper a long survey of the Islamic faith, there are some basic points I should make to assist in understanding Islam. To capture succinctly the key aspects of Islam, I will rely on Lucien S. Vandenbroucke's Fall 1983 Middle East Review article. Vandenbroucke was a research fellow at the Brookings Institution at the time he wrote this article. He made the following points.

- A key aspect of the Islamic faith is the Muslim's belief that it is a "revealed" religion, that is, the Quran (Islamic Law) is the ultimate revelation, completing those made earlier to the Jews and Christians. This strongly held belief motivates many Muslims to feel that they are superior to other religions.
- Another key characteristic of Islam is that there is no separation between the spheres of the secular and religion -- all areas of life should be Muslim ("submissive to the will of God"). Thus, even the nation state should personify the teachings of the Quran.
- The Quran provides very detailed instructions about how a true Muslim society should operate. This detailed prescription has a distributive justice aspect to it that is evident by this verse: "In the wealth one earns, there is a definite right of the indigent and the deprived" (30).

Vandenbroucke indicated that these Islamic teachings are intertwined with the goals of the militant groups. These aspects of Islam -- the belief that it is God's final revelation, combining religion with secular aspects of life, and the call for social justice -- are at the heart of the zeal that drives the radical groups. All militant groups belittle the sinful nature of non-Muslim societies, and assert that they must be redeemed by making

them adhere strictly to the teachings of Islam. The current resurgence of Islam is not new to the Muslim world. There have been other attempts to restore the purity of the faith. The current militant groups' activities represent a traditional part of Islam's concept of revelation and combining the secular and religion (30, 31).

Vandenbroucke further states that though all radical groups believe as other Muslims do, that the Quran contains the true Islamic law, there is diversity among their interpretations. An example of this is some extremists believe that only the conduct expressly stated in the Quran is acceptable, while the majority of the militant groups accept variations, as long as Islamic Law (the Quran) does not expressly prohibit their actions (31).

The Political Environment is Volatile

In an article published in the January 1992 issue of Current History, Augustus R. Norton, professor of political science at the United States Military Academy, described Egypt as "the most advanced fledgling democracy in the Arab world" (37-38). Norton stated that some Arab governments choose to oppress the opposition, and other countries are moving toward democratization. In Egypt, President Mubarak pursues a hybrid policy -- carrying out harsh assaults on extremists, working with moderate revivalists that are receptive to his policies, while conducting "reasonably free elections" that are rigged just enough to ensure his ruling National Democratic Party is victorious (38).

In the book entitled In The Path Of God -- Islam And Political Power, Daniel Pipes described how Mubarak used this approach to co-opt the Muslim Brethren (now named the Muslim Brotherhood) (211-12). The Muslim Brethren was Egypt's first mass Fundamentalist Movement, and it began in 1928. The Brethren pursued extremist views for approximately 50 years, and during this time other groups imitated it (208). Today, the Muslim Brotherhood; is quasi-legal; and its members operate freely and publish openly (210).

Pipes indicated that the Mubarak-Brotherhood relationship grew out of events that occurred subsequent to Sadat's assassination in 1981. Authorities arrested more than 2,500 revivalists during the assassination investigation. Of the 2,500 arrested, officials tried 280 members of the Jihad. This led to more violence, including the three-day riots at Asyut, that left 82 dead (211). President Mubarak's response was to adapt Sadat's earlier strategy of trying to work with the more peaceful Islamic groups. Though authorities arrested many Muslim Brotherhood members, by this time (1981) the Brotherhood had taken on a more moderate role. Mubarak released the Brotherhood leaders from prison and established a new program to teach "reformists" Islamic views in schools. These actions started a relationship with the Muslim Brotherhood that continues today (212).

Egypt's Multiparty System is a Facade. Former President Sadat established the multiparty system in 1977. Opposition groups are still small and weak today, according to Paul Schemm's Middle East Insight article [January/February 1994]. Sadat established three parties: the Liberal party represented the right; the National Progressive Unionist Party spoke for the left; and Sadat's National Democratic Party took a centrist position. Schemm points out that these party designations were "artificial", because often Sadat's associates headed all three groups. Initially, Sadat did not allow the Islamists, Nasserists, and liberal Wafdists to organize. The neo-Wafd and the Socialist Labor Party established themselves as legal political organizations in 1978 and 1979 (30).

When Mubarak assumed power, he continued Sadat's policy of denying legal recognition to the Brotherhood, Schemm states. However, Mubarak allows moderates, including the Brotherhood, to ally with other parties and participate in parliamentary elections. The Brotherhood allied itself with the neo-Wafd party in 1984 (elections), and they shared a platform that called for democracy and free-markets. The Brotherhood and neo-Wafd alliance won 16 percent of the popular vote and 20 of 458 parliament seats.

Soon thereafter, however, the alliance crumbled when the Brotherhood's Islamist goals clashed with the neo-Wafd's secular positions (30). In the 1987 elections, a coalition formed among the Brotherhood, and the Labor and Liberal parties won 60 parliament seats. The coalition called itself the Islamic Alliance, and was the largest opposition party in the parliament (Peoples Assembly) (31).

The Islamic growth in influence within the Assembly did not continue. As to the "reasonably free elections", Norton indicates that the moderate Muslim Brotherhood and the secular Wafd Party did not participate in the November 1990 parliamentary elections to protest an anticipated rigged process. The National Democratic Party won the elections, but it was a hollow victory because it did not even appear to be fair. A left wing party, Tagama, won six seats, but that did not give legitimacy to the rigged elections. However, Norton concludes that under the Mubarak regime, Egypt is freer than it ever has been. This is especially true when you compare Mubarak's regime to former President Sadat's autocracy and to former President Nasser's intolerance (38).

Although the moderate Islamists pursue influence in the parliament, Schemm points out that the Assembly "remains essentially powerless and without a great deal of legitimacy in society" (31). This is evidenced by the fact that after his last election (October 1993), Mubarak called for a "dialogue of all the forces in the country to reach a national consensus about how to deal with the problems facing the nation" (29). If the parliament was performing its function as a "representative body and a forum for the people," there would not be a need for a national dialogue (31).

Mubarak's Ambiguous Call for a National Dialogue. Mubarak's offer to have a dialogue with "all the forces in the country" has created mixed responses among the opposition parties and intellectuals, according to Schemm. Some are very cynical and some are hopeful that Mubarak will use this dialogue to develop meaningful strategies to resolve some of Egypt's political and economic problems. Officials have now scheduled

the dialogue or conference for April, after postponing earlier meeting times. Initially, the Egyptian people were hopeful that the dialogue would address serious political reform. However, Schemm points out that the government has signaled that it only wants to focus on specific issues, such as terrorism. Many people now speculate that Mubarak only wants to prove that the opposition parties do not have specific answers either, rather than use the dialogue to address the broader issue of the nature of the political system (30).

Schemm indicates that during the past year the government requested the opposition parties to join it in combating terrorism. In December 1993, the parties stated that if the government reformed the political system, they would support the anti-terror campaign. The response called on Mubarak to repeal the recently passed law of parties, which prohibits political groups from participating in charitable events. The opposition parties also requested Mubarak to repeal the press law, which denies them access to the government-controlled radio and television stations. Every major political faction, including the outlawed communists and the quasi-legal Brotherhood signed this response. Schemm points out that the parties and press laws, and others, have ensured that the National Democratic Party members and other Mubarak supporters win the overwhelming majority of parliament seats (30).

Using the continuing state of emergency that parliament declared in 1981, Mubarak placed restrictions on opposition parties, Schemm indicated. The state of emergency declaration gives the "government the power to issue arbitrary 'emergency' legislation and executive orders." However, many analysts indicated that it is not realistic to expect the opposition parties to fight extremist terrorism when they can not organize mass rallies, do not have access to the electronic media and can not carry out other routine political acts (30).

Whether Mubarak will allow the Muslim Brotherhood to participate in the conference has created more heated debate than any other issue relative to the upcoming dialogue. Many Egyptians "assumed that when Mubarak said that all political forces in

the country would be included, the Brotherhood would be legalized -- or at least allowed to participate," according to Schemm. Mubarak also made comments in October 1993 about the need to include "moderate Islamists" in the conference. However, in later speeches, Mubarak stated that only "legitimate" parties could participate. On 28 January 1994, Mubarak suggested the inclusion of religious parties would create instability within Egypt (31).

Schemm states that many Egyptians see Mubarak's later position as counter-productive because they believe the cooperation of the moderate Islamists is critical in combating the radical groups. Members of opposition groups feel the government should grant the Brotherhood its legal status, since it is the de facto strongest opposition party. In addition, the Brotherhood's moderate Islamist agenda and their social activities enjoy a lot of support in many levels of society.⁴

Whether Mubarak will allow the Brotherhood to participate in the dialogue is still an issue. Does Mubarak want to seriously debate Egypt's political problems and embrace real solutions, is an unanswered question. Many Egyptians desire real political reform. If Mubarak is not willing to address this, it is not clear what a dialogue will accomplish. Mubarak's current political approach -- conducting harsh assaults on militants, muzzling the opposition, and holding rigged elections -- is not a formula for stability.

The Economic Environment is in Crisis

Beyond the political arena, Egypt's economic environment contributes to the problems and issues that create tensions among the competing forces -- government, moderates and extremists.

In his October 1992 article in the journal, Middle Eastern Studies, Delwin A. Roy indicated that Egypt has two economies -- the formal and the informal economies (689). Roy describes the formal economy as "that portion of economic activity that is recorded in the Central Bank, in Egypt's Ministry of Planning, and in CAPMAS⁵ statistics" (690).

He describes the informal or hidden economy as "... traditional informal economic activity; (and) 'black' market operations ..." (689). He indicated further that "... two major enabling mechanisms, remittances (from workers abroad back to their families in Egypt) and the agents for these (remittances), the money dealers, the Islamic banking and financial institutions..." facilitate the informal economy (690).

Egypt's Formal Economy is Stagnant. I will rely partly on information that Dr. William Tyler, a World Bank economist, provided to the Industrial College of the Armed Forces Middle East Regional Security Study Seminar on 6 October 1993. During his presentation, he provided an extensive handout on Middle East countries' economic conditions. My economic statistics are based on his presentation.

Egypt's unemployment in 1990 was 15%. This is lower than several Middle East countries -- Jordan (25%), Lebanon (25%), Yemen (26%), and others (2). However, to put this into perspective, here in the U.S., during the last recession (1990-91), unemployment was in the 7-8% range. This caused widespread hardships, several extensions of unemployment benefits, a tremendous increase in the number of people on food stamps, and similar problems. Imagine if the unemployment was double that amount, or 15%.

Economic "stagnation" began in many Middle East countries, including Egypt, during the mid-1980's and has continued into the 90's. This stagnation started when the impact of falling oil prices and decreased production began to be felt. Saudi Arabia and other oil rich countries reduced their aid to other Arab countries, including Egypt. Also, many Egyptians who worked in the oil fields and forwarded remittances home to their families, lost that employment. This had a dual impact on Egypt -- income lost from remittances, and many workers returned home, adding to the already high unemployment, according to Tyler.

Egypt's budget deficit in 1990 was 18.5% of gross domestic product (GDP), and its total debt was 113.1% of GDP (16). Many economists argue that a country's deficit is not the critical economic factor. These economists argue that a country's growth rate is more important. The rationale is that if the country is growing fast enough, it can have low unemployment and generate enough revenues to service the national debt and provide required services. Since Egypt's economy is stagnant, economists would agree that the continuing high deficit is a significant problem.

The high debt ratio of 113.1% of GDP makes it difficult for Egypt to borrow from private sources, according to Tyler. Institutions like the World Bank and the International Monetary Fund are working with Egypt, while requiring it to make certain economic reforms. However, private lenders (commercial banks, etc.) generally will not lend to a country with such a high debt load.

In terms of trade, in 1990, Egypt's current account had a deficit of -10.5% of GDP. The negative balance means that Egypt's loss of foreign currency was equivalent to 10.5 % of its GDP. This means that Egypt was importing more than it was exporting. Tyler indicated that there are no significant prospects that this trend will change.

In 1991, Egypt's government still controlled 85% of the country's industrial output. Tyler indicated that Egypt has recently started to dismantle its "Soviet-styled economic system". Recent articles also state that Egypt is slowly moving away from a government controlled economy.

A 19 April 1993 article in Business America indicated Egypt is moving "cautiously" away from a government controlled and managed economy toward a free market system. Its author, Tom Sams, indicated Egypt is pursuing a "program of economic stabilization and structural adjustments pursuant to agreements with the International Monetary Fund and the World Bank." Some of the specific things the government has done include the following actions.

- ° Established a free, market-determined foreign exchange system.

- Strengthened the banking system.
- Initiated reform and privatization of the public sector.
- Created a social fund to help the low income groups weather the impact of these reforms (41).

Sams concludes that these market reforms are creating an economic environment that should attract foreign firms. The reduction in public companies should also provide opportunities for private Egyptian investment. The privatization and overall economic reform are moving slowly. However, the government has embraced these reforms and is committed to the program (41).

Egypt's Informal or Hidden Economy is Substantial. Roy indicates the hidden economy has been a feature of Egypt's society for decades. The magnitude and the number of specific activities involved are difficult to quantify. However, the effects are not invisible. There are many examples of the effects of the hidden economy, although the economic activity is unreported and unrecorded. Examples include these events.

- Through remittances to their families in Egypt, migrant workers who travel to Saudi Arabia, Iraq and the Emirates have fueled a construction boom in rural areas (of Egypt). This capital is classed as "unreported".
- In 1979, then President Sadat gave a friend 5,000 hectares (12,500 acres) of unimproved land. The friend used government equipment, at no personal expense, to improve the land and sold it in 1986 for US\$13 million (at the then prevailing exchange rate). The friend deposited the sale proceeds outside Egypt (41).
- A woman, who owned several flats, rented one to an international bank and requested one third of the payment in domestic currency. She asked that the remaining two-thirds be deposited outside the country in dollars. The bank agreed (42).

As can be seen by the examples, the range of informal activity is significant, and it covers the spectrum from legal to quasi-legal to illegal. The two main catalysts for the hidden economy are the remittances (the source of capital for much of the informal activity) and the institutional means that transmit remittances (predominantly money dealers and Islamic financial and banking institutions) (690). There are formal channels for transmitting remittances. However, these channels are being bypassed. Roy indicates: "Officially recorded remittances have never exceeded \$4 billion annually, a figure inconsistent with the known number of Egyptians working abroad and the pattern of remittances." Other indicators that a substantial amount of remittances is bypassing formal channels are the "meteoric rise" in deposits held by Islamic companies and the rural construction boom (691).

The effects of moving the remittances through informal channels are two fold. First, the government cannot access the foreign exchange moving through informal channels, and thus the policies to allocate this resource (and taxes upon it) become inoperable. Second, the scope of productivity of migrant workers being unknown, contributes to a distorted view of macroeconomic factors (used in government policy and decision making) (690).

There is another aspect of the informal exchange that does not bode well for the country's formal economy. As long as the value of Egypt's currency deteriorates, the money dealers will profit, due to the lag time between receiving the funds in the foreign land and delivery to the families. At some point the expectation of future profits sets in motion forces that place pressure on exchange rates. Stated another way, the dealers' transactions are so substantial that their profit expectations may depress Egypt's official exchange rate (692).

The estimated value of informally transmitted remittances is several times the amount of formal export earnings. "In 1985 the Central Bank in Egypt actually had to

borrow foreign exchange from the money dealers due to the critical shortage prevailing at that time" (692).

Roy summarizes his discussion of the informal remittances by stating the following points that are relevant to the theme of this paper.

- ° Remittances provide the capital for the hidden economy.
- ° Increasingly, the Islamic financial institutions, particularly the Islamic companies represent the main channels through which the remittances flow and exert their effect on the formal domestic economy.
- ° It is only in a few instances that these Islamic entities exert positive and constructive influence over the economy.
- ° In most instances, these entities exert negative influence on the domestic economy in terms of speculation, capital flight, and financing black market trade in illegal drugs and weapons. (694)

Roy concludes that on balance the hidden economy is a positive development (708-10). Whether the hidden economy will continue to be overall positive will depend on its ability to become more efficient and responsible, and its capacity to distribute income more equably over wider segments of society (711).

Overall, Egypt is in an economic crisis. Since the economy is still government controlled and managed, this is another area that the militant and moderate Islamists (and the public) use to criticize Mubarak.

The Social Environment Contributes to Frustration

Population Growth Rate is High. Two of the key social stresses within the society are the demographics and the associated housing crisis, according to Gil Feiler's April 1992 Middle Eastern Studies article. Feiler indicates that there is a housing "exigency" and it is related to the high population growth rate -- 2.7 percent annually.

The 1986 census indicated the population was 50.5 million. Only four years later in mid-1990, Egyptian officials estimated the population had grown to 56 million. Officials expect the population to grow to 76 million by the year 2000 (295).

The population rate has grown at a high rate of close to 3 percent annually while the cultivated land area has increased only "marginally." The problem is especially acute in the urban centers where the population growth rate is much higher than in Egypt as a whole, due to the influx of migrants from the rural areas. In Cairo, the density is 26,128 people per square kilometer, but it is 132,000 per square kilometer in Bab al-Sharia, an impoverished neighborhood. Alexandria is similar. The population in Alexandria as a whole is 1,058 per square kilometer. However, it is 152,000 per square kilometer in a slum area called Goumruk (295).

There are many reasons for the flight from the rural areas to the urban centers. Feiler states the following key reasons for migrants leaving rural areas.

- The high birth rate in the rural areas and the minimal amount of new agricultural areas developed annually.
- The government keeps agricultural products prices low and it invests little in rural areas.
- The urban centers offer the hope of employment, lower food prices and other tangibles and intangibles (296).

The Housing "Exigency" Grows. Egypt's desperate need for more affordable housing is a source for much frustration, especially among young men. The young men often direct this frustration toward the government. This contributes to making these young men targets for the militant Islamic groups to recruit.⁶

Several factors have contributed to the housing problems according to Feiler. The factors include: as the rural flight increased, the investment in the physical infrastructure did not keep pace with the urban growth; skilled construction laborers and building

materials were in short supply; private builders violated building codes to get the maximum use from limited construction materials and this resulted in "quite a few" buildings collapsing (especially in Cairo's poor neighborhoods); and the increased class inequality makes the housing too costly for many (296-297).

The situation in Cairo is illustrative of the magnitude of the housing demand and the public and private sector's inability to build the required quantity. The government's official estimates indicate that in Cairo the public and private sectors build less than 50,000 units annually. The estimates indicate that Cairo requires an additional 56,000 units annually to satisfy demand (297). Other urban areas (Alexandria, the Suez Canal Cities and Aswan) are experiencing similar growth and increased demand for housing (296).

To reduce the housing costs for its citizens, the government enacted rent control laws in 1969, 1976 and 1977. These laws have exacerbated the situation in several ways. The rent control discouraged private construction and encouraged people to remain in the subsidized apartments even after they could afford to purchase housing. To offset the controlled rent amount, landlords began charging large fees for the right to rent ("key money"). Landlords kept flats off the market hoping to rent to rich Arabs or foreigners, and they conspired to oust tenants from controlled buildings to sell the property for exorbitant prices. These actions contributed to the housing problem for the lower-income citizens, rather than making the situation better. The government has not intervened to address these problems. Feiler suggests the government should enact taxes or other penalties for holding vacant or underutilized property (299).

The "key money" mentioned in the prior paragraph is one of the main obstacles to young men getting an apartment to become independent of their families, or if they are planning to get married. As stated at the beginning of this section, this creates frustration that the young men often direct toward Mubarak's government.

Education Quality and Availability are Inadequate. The education situation also creates stresses and offers opportunities for moderate Islamists to become more intertwined into Egypt's society. Elementary, intermediate and high schools, both state and private, are overcrowded, according to Fayza Haikal's article entitled Family Life In Modern Egypt. The private schools make an effort to keep their numbers low, therefore parents often use "contacts and influence" to get their children admitted (175).

In addition to these schools, al-Azhar operates schools that teach Islamic precepts, along with secular disciplines, according to Haikal. Al-Azhar is a mosque, founded in 970, and also a university -- the oldest university in the world. In 1961 modern courses were added to its Islamic curriculum. Al-Azhar is the "most ancient and revered Islamic institution in Egypt, ... (and its) impact on the population is tremendous" (176).

Al-Azhar operates schools in the provinces and in the crowded urban districts. The state cannot meet the country's needs, and private schools are not accessible to everyone that can afford them. The situation creates a void that provides an opportunity for al-Azhar to provide its services to families who do not want their children to attend overcrowded, poor quality state schools, and to parents who cannot get them into private institutions (176).

While university education is free, admission requires students to pass the "thanaweya amma" (general secondary) exams, according to Haikal. Al-Azhar also operates schools at the college level. Its colleges now teach the same subjects as the national universities in addition to Islamic studies. Students from other African and Asian Islamic countries attend al-Azhar (178).

This is another example of Mubarak's government not being able to meet Egyptians' basic needs, and an Islamic institution partially filling the void. This contributes to the peoples' feelings that the government is irrelevant and that Islamic leaders would be more responsive.

According to Haikal, it is after college graduation that young people begin to experience "disillusionment and bitterness" as they seek employment and independence. Unless the male's family can provide lodging, he must wait for years until he can save enough money ("key money") to live independently. The scarce resources and high lodging costs delay many marriages, cause many engagements to end without marriage, and "produce much frustration" (178).

Will Mubarak Survive?

"Mubarak is facing the most serious challenge since he took over the government following the assassination of Anwar Sadat in October 1981," according to Reed. The greatest danger is not that the violent strict Islamist Gamaa or Jihad might seize power, but that the terrorism may hamper Mubarak's efforts to solve some of Egypt's political, economic and social problems (94).

Even if the militants force Mubarak from office through violence, Reed does not feel the Gamaa or any other militant Islamic group is prepared to seize power in Egypt. The militant groups lack a charismatic leader like Ayatollah Khomeini. Before the Western press gave Sheik Abdel Rahman great notoriety, he "was not well known in Egypt and not taken seriously" (101). The militant groups also have organizational problems and the violence alienates most Egyptians. Furthermore, the attacks on tourism have adversely effected many Egyptians' livelihoods (100).

However, the U. S. has reason for concern, even if the probability is not high that a militant government could seize power if Mubarak is removed. Mubarak does not have a vice-president and he has not selected an heir apparent. That makes it difficult to project how a successor would treat U.S. relations with Egypt and the associated strategic interests in the Middle East.

"As long as Mubarak retains the confidence of the military, he will be reasonably secure," according to Reed. There is no indication that there is any significant discord

within the military, or that Islamic extremists have infiltrated the officer corps in large numbers. To maintain that relationship with the military, Mubarak will have to continue providing modern weapons and training that the U.S. supplies. If problems do occur such as riots, Reed believes Mubarak could call on the military to restore order (105).

Potential Impact of a Militant Islamic Government

Militant Islamic groups may not have a charismatic leader that could take power if Mubarak is violently removed from office, however the potential impact of such an occurrence should be addressed as part of this paper. Even though it is remote today, it is possible it could occur in the future.

If a militant group seizes power, the leader would enforce strict adherence to Islamic Law within Egypt, regardless of which organization it is. They all believe the strict Islamic Law must be applied throughout government and society.

In a 5 April 1993 Business Week article, Reed stated that "shock waves" would emanate from Egypt if a militant Islamic group seized power. The impact would be much greater than what occurred after the Iranian revolution. Reed thinks the impact would be this great because Egypt is a highly respected country in the Arab world, and Egyptians are Sunni Muslims, as are most Arabs. This distinguishes Egypt from Iran which faced cultural and language barriers in trying to export its brand of revivalism. Iranians are Shiite Muslims (not Sunni) and they are Persians (not Arabs). For these reasons, an Egyptian militant Islamic government would have a much broader appeal throughout the Arab world than the Iranian revolution. Reed indicates it would be able to export a radical Islamic influence to Arab countries "from North Africa to Saudi Arabia" (46).

In a Spring 1986 ORBIS article, Shimon Shamir, the Kaplan Professor in the History of Egypt and Israel at Tel Aviv University, indicated the impact would be devastating for (Egypt's) relations with the U.S. and Israel. The Islamic government would immediately sever all political, economic, military and all other ties with the U.S.

Shamir states that whereas the popular and reformist revivalists disagree with the manner in which Egypt manages issues with the U.S. and Israel, the radicals totally reject the idea of having close relations with a Western power or having a peace treaty with Israel. The radicals believe that the Islamic world is under attack, and the U.S. leads the charge with Israel following closely behind. The extremists do not accept any rational bases for relations with the U.S. or Israel. Thus, they would sever the current relationships regardless of the consequences -- even if this would mean "war, destruction (Egypt's), or starvation" (177).

This would be devastating to the U.S. interests in the Middle East. Egypt is the "closest (country) the Arab world has to a leader." Reed indicates that Egypt's leadership role makes it a more useful ally than Iran was. Since 1975 the U.S. has invested \$35 billion in cultivating and maintaining close ties with Egypt. Mubarak was instrumental in assembling the Arab coalition in Desert Shield and Desert Storm, and he has consistently played a formidable role in U.S. sponsored Middle East peace negotiations. (There is also a range of U. S. military agreements with Egypt.) Reed feels these U.S. relations would end and certainly the Islamic government would be a threat to the peace with Israel. "Egypt in the hands of an aggressive, Islamic regime -- still a remote possibility -- could prove (to be) more destabilizing for the Middle East than Iran," according to Reed (The Battle for Egypt 95, 105-106).

ENDING

The Islamic resurgence and associated instability within Egypt are multi-faceted -- they are more than Islamic extremists versus a secular government. In addition to the campaign of terror the extremists are waging to topple Mubarak, there is Islamism intertwined with political, economic and social forces that contribute to the instability.

In the political arena, the government's attacks on extremists, mass arrests, swift trials and executions have not stopped the violence, although officials argue its receding.

It is not clear that this process will ever stop the violence since their efforts to topple Mubarak are tied to key Islamic beliefs -- Islam is God's final revelation, there is no separation between state and religion, and the requirement for social justice.

While the moderates do not resort to violence, they are pushing for gradual change to a more Islamic oriented society. The moderates are content to work within the political process, however they are not satisfied with the current Mubarak dominated system. Mubarak's system is political oppression by any standards. Mubarak's system includes: one candidate for president, himself; rigged elections; other political parties are denied access to the media; and the most influential moderate group, the Muslim Brotherhood, can not organize as a political party.

Although Mubarak has recently called for a national dialogue, his statements and other indicators suggest the conference will only address narrow specific issues. While there is a clear need to address political reform, it is still a question as to whether Mubarak is willing to discuss serious changes.

In the formal economy, Mubarak has embraced reforms to move his country toward a free-market system. Mubarak is moving slowly to prevent turmoil. Also, this process even if moved along at the pace prescribed by the IMF and the World Bank would take years for the masses to feel the benefits. Thus, the economic reform is good for the long term. However, it will not ameliorate the current conditions (15% unemployment) and frustrations in the near future. The Islamic dominated informal economy provides income and housing, and this is positive. However, it also places negative pressures on the formal economy and provides a black market for weapons for the terrorists.

In the social area, the government is unable to provide available affordable housing and quality schools. The housing problem results in bitterness and disillusionment among young educated adults, and public frustration directed toward the government. Since there is not enough public or private schools, Islamic schools that

teach both secular and religious courses are partially filling the void. These conditions contribute to the people saying the Mubarak government is irrelevant and that he should be replaced by an Islamic leader that would be more responsive.

Will Mubarak survive? That is hard to say. It is fair to say that the current political system will have to change. If Mubarak proceeds with the dialogue and embraces real political changes, he will probably survive (politically). Real political change, including bringing the Brotherhood into the process, allowing parties to have access to the media and having free elections should relieve the tensions among these competing forces -- government and moderate Islamists. Mubarak may also gain their support against the extremists, thus softening the tensions between government and extremists.

Real political change should also effect the economic and social tensions. If an Islamic party or parties make substantial gains in free elections, which all indicators suggest they will, then Islamists will no longer be able to say we should replace the secular government -- they will be a significant part of the government.

If Mubarak is removed through violence or a popular uprising, writers in this area do not expect a militant group to seize power. If in the unlikely event a militant group does seize power, it would have a devastating effect on U.S. (and Israeli) interests in the Middle East. If a person from Mubarak's party succeeds him, there is still reason for concern, because he has not groomed a successor. Because of this, it is difficult, if not impossible, to project what the U.S.-Egypt relationship would be.

I think an Egyptian businessman summed it up best in a 3 October 1993 article in The Washington Post authored by Caryle Murphy. In discussing the upcoming elections, "businessman Ibrahim Marzouk said he will vote yes because he likes Mubarak 'as a person.' 'But his policies, I have to say no. He has to change. He has to change the constitution and change the people around him,' Marzouk said."

Notes

¹The radicals' statement included the following:

This is our final warning and those who read it should take it seriously. Those who do not will suffer the consequences.

(The radical group) considers that the one (foreigners) who helps the enemy (government) should be killed like the enemy. (A6)

²Stanley Reed is Business Week's foreign affairs columnist. He was based in Egypt from 1976 to 1980 and returned there during 1993, prior to preparing the Foreign Affairs article.

³See Michael C. Dunn. Dunn is senior analyst of The International Estimate, Inc. He discusses in detail the origins of Gamaa al-Islamiya and al-Jihad's early organization and recent splinter groups. Dunn indicates that some leaders are common among the different groups.

⁴See Paul Schemm for a detailed discussion of how the Brotherhood and other Islamic groups have become a positive force in Egypt's society. Schemm indicates the Brotherhood participates in university and professional organization's elections, and "it has gradually become a major component of professional society" (31). Schemm also indicates the Brotherhood and other Islamists provide: financial services in the business community; social services the government fails to give; and medical clinics with better doctors and equipment than state-run hospitals. These services create political support (31-32).

⁵CAPMAS, Egypt's Central Agency for Public Mobilization and Statistics, collects census data and related demographics.

⁶See Stanley Reed's discussion of how the Gamaa appeals to young men faced with the housing, employment and other problems (The Battle for Egypt 99).

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